

[11-127.2.] 11-127.1.

(a) "Lease intended as security" means a lease of a vehicle by an individual primarily for personal, family, or household purposes for more than 180 consecutive days, including renewal periods, in which:

(1) The lessee is provided the option to purchase the leased vehicle; and

(2) Under the terms of the purchase option, the lessee becomes or has the option to become the owner of the vehicle for:

(i) No additional consideration; or

(ii) 1. In the case of a new vehicle, a nominal consideration of:

A. 20 percent or less of the "value at consummation" of the vehicle as that term is defined in 12 C.F.R. § 213.2(a)(18); or

B. If the value at consummation is not stated in the lease, 20 percent or less of the Monrone sticker price for the vehicle; or

2. In the case of a used vehicle, a nominal consideration of 20 percent or less of the wholesale value of the vehicle as shown in the official used car guide of the National Automobile Dealer's Association (N.A.D.A.), taking into account accessories and mileage plus any costs incurred by the lessor in repairing and servicing the vehicle in anticipation of a lease.

(b) "Lease not intended as security" means a lease of a vehicle by an individual primarily for personal, family, or household purposes for more than 180 consecutive days, including renewal periods, in which:

(1) The lessee may return the motor vehicle at the end of the lease term with no financial obligations other than payments required under, and disclosed in, the lease for excess wear and tear and excess mileage charges and for administration, disposition, and similar costs incurred at the end of the lease; and

(2) The lessee is provided the option to purchase the leased vehicle for:

(i) In the case of a new vehicle, a consideration in excess of:

1. 20 percent of the "value at consummation" of the vehicle as that term is defined in 12 C.F.R. § 213.2(a)(18); or

2. If the value at consummation is not stated in the lease, 20 percent of the Monrone sticker price for the vehicle; or

(ii) In the case of a used vehicle, a consideration in excess of 20 percent of the wholesale value of the vehicle as shown in the official used car guide of the National Automobile Dealer's Association (N.A.D.A.), taking into account accessories and mileage plus any costs incurred by the lessor in repairing and servicing the vehicle in anticipation of a lease.